



FROM THE OFFICE OF STATE TREASURER BRIAN K. KROLICKI

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STATE TREASURER ANNOUNCES IMPROVED RATINGS OUTLOOK; LARGEST BOND REFUNDING IN STATE HISTORY

(Carson City, Nevada) – State Treasurer Brian K. Krolicki announced today the largest refunding of bonds in the State's history, with the first five of eight planned bond sales totaling \$760 million taking place this past Monday and Tuesday. The majority of the \$760 million in general obligation bonds being sold will be used to refund debt that was originally issued for capital improvement, university and natural resources projects. The refundings will enable the State to reduce the amount of interest that it pays on its debt.

Leading up to the first bond sale on Monday, the three top ratings agencies reaffirmed Nevada's high credit ratings, with Standard & Poor's revising Nevada's outlook from stable to positive. Standard & Poor's cited Nevada's strong fiscal management, the gradually diversifying economic base and the demonstrated commitment to maintaining and replenishing reserves as the main reasons why Nevada's outlook was upgraded.

"Nevada's economy has not had a "positive" outlook assigned by any of the ratings agencies for the past 19 years, and I'm thrilled that Standard & Poor's has recognized that Nevada continues to be an economic powerhouse," said Treasurer Krolicki. "Underlying all of this is the double digit sales-tax growth on a month-to-month, year-to-year basis in the past biennium."

On Monday, Series C and D Open Space, Parks and Natural Resources Bonds, were competitively won by Citigroup with a true interest cost of 4.25% and 4.40% respectively. These bonds are projects relating to Question 1, which was passed by Nevada voters in the 2002 general election to allow up to \$200 million in bonding for specifically cited conservation projects. With the sale on Monday of \$11.1 million in bonds, the total issuance under Question 1 is approximately \$100 million. The Series E Safe Drinking Water Act Revolving Fund Matching and Refunding Bonds was a refunding allowing for low interest loans to local governments. The Series E bond was sold to Morgan Stanley for a true interest cost of 4.05% over 15 years.

On Tuesday, two series of bonds were refunded. The Series A Capital Improvement and Cultural Affairs Refunding Bonds sale, for \$246.875 million, was competitively won by Citigroup, with a true interest cost of 3.83%. Over the biennium, this refunding will save the state more than \$6 million in interest costs. The Series B Natural Resources and Refunding Bond was competitively won by ABN AMRO Financial Services, Inc. with a true interest cost of 4.12%.

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